

**REMARKS**

Claims 65, 69, 76-77, 79-81 and 83 are pending. All claims stand rejected for obviousness over Zandi in of WWFFinance. For the reasons set forth below, it is respectfully submitted that amended independent claims 65 and 69 are neither shown nor suggested by these references.

As amended, claims 65 and 69 require the submission of bids from bidders competing to supply products to a buyer over a plurality of contract term segments.<sup>1</sup> Zandi clearly does not disclose this feature. To the extent that a bidder supplies loan proceeds to a buyer in Zandi, the loan proceeds are provided only at the inception of the loan. Thus, in Zandi, nothing is supplied to the buyer over a plurality of contract term segments as required by the present claims. Nor is this aspect of the claims taught by WWFFinance. In the portion of this reference relied upon by the Examiner, a manufacturing firm upgrades a computer at a cost of \$200,000. Although the benefits of the upgrade may be enjoyed by the buyer in following five years, the upgrade itself is supplied to the buyer at inception – not in pieces during the five year period. Simply put, WWFFinance neither shows nor suggests supplying products to the buyer over a plurality of contract term segments as required by the present claims.

As amended, claims 65 and 69 also require the use of two non-zero net present values (i.e., the “first and second non-zero net present value bids”) to “effect a relative comparison

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<sup>1</sup> Support for this aspect of the claims can be found, for example, in column 630 of Figure 6 of the Specification, which identifies the quantity of products to be supplied per year by the bidder during each year of the contract.

of bids.<sup>2</sup> The Examiner has acknowledged that this aspect of the claims is not found in Zandi. See, Official Action dated February 2, 2004 at 3 (“Zandi does not specifically disclose the comparison of choice values generated using calculation of a non-zero net present value.”) This aspect of the claims is similarly absent from WWWFinance. In WWWFinance, at most a single non-zero net present value (i.e., \$51,410) is calculated and then compared to zero (i.e., whether the \$51,410 value is positive) in order to assess whether the company should upgrade its computer. See, WWWFinance at 1 (“The net present value is positive. This means that the firm should go ahead with the acquisition.”) Simply put, the concept of comparing two non-zero net present values to each other as recited in the present claims is not taught by either of the references relied upon by the Examiner.

Moreover, pending claims 65 and 69 require that the bid information from the first and second bidders be transformed into the first and second non-zero net present values bids using the same predefined discount rate. In the last official action, the Examiner failed to reason how this limitation, namely the use of the same predefined discount rate for determining both the first and second net present value bids is taught by either Zandi or WWWFinance. In attempting to apply Zandi to the present claims, the Examiner has asserted that the “interest rate” submitted by each bidder in Zandi corresponds to the claimed “same predefined discount rate.” Clearly, in Zandi, the “interest rate” submitted by each bidder is not the same for all bidders. If all bidders competing for the loan bid the same interest rate, there would be no point at all to the loan auction taught by Zandi. The entire point of Zandi is to encourage the submission of different interest rates by different bidders, so that the most

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<sup>2</sup> This aspect of the claims finds support, for example, in Figure 8 of the Specification, which illustrates a plurality of non-zero net present value bids from different bidders.

favorable interest rate can be achieved for the customer. Thus, Zandi fails to teach transformation of the bid information from the first and second bidders into the first and second non-zero net present values bids using the same predefined discount rate, as required by the present claims. This aspect of the claims is similarly absent of WWFFinance, as WWFFinance fails to even teach two non-zero net present values.

Finally, it respectfully submitted that the Examiner's reasoning that the claimed use of the predefined discount rate corresponds to "merely set[ing] an interest rate constant while allowing the time periods (i) and the net present value (NPV) to vary," is flawed. In claims 65 and 69, the time periods associated with both the first and second net present value bids (i.e., the claimed "plurality of contract term segments") are the same for both bids.<sup>3</sup> The time periods do not vary between the first and second bidders, as the Examiner has suggested. For this reason alone, the pending claims are in no way "analogous to allowing a car purchaser obtaining a loan to select the interest rate he/she wishes to pay and allowing the total amount paid back and the term of the loan to vary ...," as argued by the Examiner. See, Official Action dated February 2, 2004 at 4.

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<sup>3</sup> For example, claim 65 recites "said first bid information comprising a first series of payments by the buyer over the plurality of contract term segments, said second bid information comprising a second series of payments by the buyer over said plurality of contract term segments...."

In view of the foregoing, it is respectfully submitted that all pending claims are in condition for allowance. Accordingly, reconsideration and allowance of all pending claims are earnestly solicited.

If there are any other fees due in connection with the filing of this response, please charge the fees to our Deposit Account No. 50-0310 (Billing No. 046700-5003). If a fee is required for an extension of time under 37 C.F.R. §1.136 not accounted for above, such an extension is requested and the fee should also be charged to our Deposit Account.

Respectfully submitted,

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